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PAUL W. RAINWATER
COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of State Uniform Payroll

January 6, 2011

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2011-29

TO: All ISIS HR Paid Agencies

FROM: Andrea P. Hubbard
Director

SUBJECT: Direct Deposits Sent to Foreign Financial Institutions

The National Automated Clearing House Association (NACHA) now requires a new format for certain direct deposit ACH transactions. ACH transactions that are part of a payment chain that **begins or ends** in a financial institution outside of the U.S. must be formatted as an International ACH Transaction (IAT).

Although direct deposits to foreign financial institutions are not allowed by ISIS HR, if any of an employee's **individual direct deposit transactions** is subsequently forwarded to a financial institution in another country, then the payroll deposit must be labeled an IAT. The new IAT format is designed to help law enforcement agencies detect, investigate, and prosecute money laundering and other financial crimes by creating and preserving an information trail of entities sending and receiving funds through U.S. financial institutions' monetary systems.

At this time, ISIS HR is incapable of sending IATs in the format required by NACHA. For this reason, employees whose direct deposits are IATs will be granted temporary direct deposit waivers and will receive paper checks. This temporary waiver will remain in effect until ISIS HR's capability is modified to make IAT deposits or until an employee's IAT transfers cease. The OSUP/F46 Request for Direct Deposit Waiver form has been revised to include "IAT" as a valid exception to Mandatory Direct Deposit. This form is located under the "Forms" section of the Office of State Uniform Payroll's (OSUP) website at:

http://www.doa.louisiana.gov/osup/osup_forms.htm.

To identify those employees with direct deposits that should be formatted as IATs, OSUP is providing agencies with a sample letter and attestation form for agencies to provide to **all of their employees**. This letter must also be provided to employees currently receiving a paper check to make them aware of the change and how it might affect them if they choose direct deposit in the future. Responses on the attestation form are **required of all employees**. This is necessary to comply with the law and prove due diligence by the employer. There are

punitive penalties that may be applied for non-compliance, including fines ranging from \$10,000 to \$10,000,000 per each direct deposit. Any penalties OSUP receives due to non-compliance will be passed on to the agency. These fines can also be passed on to the employee.

Sample Letter to Employees and Employee Attestation Form

The attached sample letter explains to employees what an IAT is and how to determine if their payroll direct deposit is an IAT. It further explains the attestation form that is attached to the letter that must be completed, signed by the employee, and returned to their payroll office. Agencies should:

- Modify the letter to include the agency's official letterhead, current date, agency contact information, etc.
- Distribute the letter and attestations to all employees by **February 11, 2011**.
- Document how letters and attestations were distributed: list the employees receiving same; document employee address information (if distributed through mail); and document the date of distribution, date of attestation return, and the answer each employee selected.
- It is imperative that agencies make every effort to obtain completed attestations by **March 11, 2011**. To prove due diligence, agencies should at the least send out secondary notices to those employees who do not return the signed attestation form by the deadline. Second notices should be addressed directly to the employee.
- Notify OSUP immediately if any attestations state that the employee intends to transfer **any of their individual direct deposit transactions** to a foreign financial institution, and fax these attestations to OSUP. This will enable OSUP to take the necessary steps, as soon as possible, to properly process payments identified as IATs.
- Keep completed copies of all attestation forms on file for future reference, according to your agency's record retention schedule.
- Should the employee IAT status change at any time in the future, the employee must notify their payroll department. The agency must then notify OSUP.

Employees should not be directed to OSUP with any questions, and all attestation forms should be returned to your agency, not OSUP. Agencies can use ZP120 Employee Address Report to download a file of employee addresses to use in creating a Microsoft Word Mail Merge document. Mail merge instructions can be found on the Microsoft website for [Word 2007](#) and [Word 2003](#).

Agency Certification Form and Process

The attached Agency Certification Form must be completed and returned to OSUP by the deadline indicated. Agencies will complete this form based on the employee responses received and fax the form to OSUP. Agencies should take the following steps to certify the attestations:

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- Verify all employees have returned a completed attestation form to the agency. **Agencies should document subsequent notices sent to employees who did not respond.**
- Separate the forms by answers submitted.
- Determine the total of “do” and “do not” answers.
- Complete the certification form to include agency specific information and the answer count for your agency.
- Forward the completed, signed certification form to OSUP via mail or fax by **April 8, 2011.**
- Attestation forms should not be sent to OSUP with the agency certification form (since all “do intend” forms should have already been faxed immediately to OSUP).

Agencies must include the attached attestation document in their HR packets for new employees to review and sign during the hiring process. The OSUP Direct Deposit Enrollment Authorization Forms OSUP/F12A for “Main” bank & OSUP/F12B for “Other” bank have been updated with a statement about IAT and a check box for the employee to indicate whether their entire direct deposit payment will or will not be forwarded to a financial institution outside of the U.S. These forms are located under the “Forms” section of OSUP’s website at: http://www.doa.louisiana.gov/osup/osup_forms.htm. All of the attachments to this memo can be found on the OSUP Website under the “International ACH Transactions” page: <http://www.doa.louisiana.gov/osup/iat.htm>.

Any forms that must be returned to OSUP should be faxed to (225) 219-4432.

Questions about International ACH Transactions or any of the attachments should be directed to a member of the OSUP Benefits and Financial Administration Unit at _DOA-OSUP-BFA@LA.GOV or (225):

Jodi Bullock	342-5345	Michelle Richmond	342-5357
Brandy Boyd	342-5354	Desiree Jefferson	342-5377

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Attachments: [Sample Letter to Employees](#)
[Employee Attestation Form](#)
[Agency Certification Form](#)